Two approaches to wage theft in the U.S.

A study conducted in 2008 by the UCLA in conjunction with the National Employment Law Project found that, amongst non-managerial and non-technical workers in the United States, wage theft is a virtual epidemic.

It was found that nearly 70% of workers surveyed had experienced some type of pay violation within the previous week. Of those, the average worker lost $51 out of an average weekly earning of $339, or nearly 15% of annual wages. For the workers who partook in the study, this meant an average annual loss of $2,634 – no small sum when you're living on $17,616 a year.

Of the wages stolen by employers, most were extremely blatant, meaning the employer simply withheld the money owed with little or no explanation. Workers were either paid under the minimum wage, had their overtime pay withheld, or were forced to work extra hours "off the clock."

Additionally, it was found that over 50% of workers surveyed were flat-out denied legally mandated meal time, while over 70% were refused legally required breaks. In all, it was estimated that in Chicago, New York and Los Angeles alone, $2.9 billion in wages had been stolen from workers within a years time.

In response to the crisis, two general approaches have been used by organizations across the country to help stem the tide of wage theft.

The first approach emphasizes legislative action and social service. It calls for political leaders to crack down on employers who break the law, and for union leadership to fulfil their role as mediator between worker and owner. Advocates of this approach prefer protesting through so-called "proper channels."

The second approach contends that the established political system is partly to blame for the mess in the first place. They argue that in order for us to effectively confront the problem of wage theft in the United States, we will need workers to fight their bosses themselves, instead of relying on either politicians or social service providers. This approach is known as “Direct Action.”

Proper Channels:

When asked the question “how can we fight wage theft?” Executive Director of Interfaith Worker Justice (IWJ), Kim Bobo answered:

“We need a strong union movement. We need a strong network of social services and grassroots organizations. And we need a strong Department of Labor that enforces labor laws.”

Speaking about her new book Wage Theft, she emphasizes, “I have four chapters on how we can strengthen the Labor Department.”

Workers with IWJ protest wage theft in front of a government building.

“First,” Bobo continued, “we need a secretary of labor who cares about wage theft and who can make it a priority… Most important, we need more cops on the job. There are 750 investigators for 130 million workers in the country… I believe we need to quadruple that staff.”

“Finally,” she concludes, “we need to have meaningful punishments. If you steal wages from workers, there needs to be consequences…”

The interview from which these quotes were taken wrongly emphasizes, this author believes, the role of politicians and service providers in fighting wage theft today.

The fact of the matter is, we can’t fight the boss on the boss’ terms.

The political system we have inherited overwhelmingly favors wealthy business interests - we simply don’t have the funding to successfully compete. We don’t have the money for as many lobbyists, we don’t own any large media outlets, and we certainly do not have enough money to run our own political candidates. All one needs to do to confirm this suspicion is to evaluate the successes of the Obama administration.

Undoubtedly the largest triumph any of us have seen for liberals in the United States in recent memory, Obama’s support has almost entirely collapsed beneath him. It has collapsed because people have discovered – with the financial reforms, the Gulf oil spills, the Health Care Reforms, or the pathetic CARD Act – that Democrats are just as deep in the pockets of big business as the Republicans are.

Focussing on political battles (over the department of labor, for example) disempowers the workers’ centers and community groups Bobo rightly believes are so important. By encouraging workers to jump on the bandwagon for the next Democrat, we are sending the message that they must rely on someone else to solve these problems for them – and worse, we’re wasting time that could be spent confronting and beating the boss.

Whats more, although community groups and workers’ centers are crucial players in the fight against wage theft, their reliance on professional help - normally from lawyers – can be extremely problematic.

The insistence on using lawyers to fight wage theft deters many low-income and immigrant workers from beginning a fight at all. Most people neither have the time nor the money to pursue a legal battle.

But even if, in the end, a small claims court rules in your favor, it's common for workers not to receive their settlement, as the courts do not enforce their decisions. Needless to say, without enforcement, you're back where you started.

Direct Action:

Kim Bobo was right about at least one thing in the interview quoted above: we do need meaningful consequences for bosses who steal their workers' wages.
While Bobo emphasizes the role of "more cops on the job," by which she means more DoL investigators, proponents of Direct Action would contend that the workers are perfectly capable of policing the boss on their own.
The Seattle Solidarity Network, for instance, is certainly as effective as any Department of Labor investigator.

Young, an immigrant worker in Seattle, wins back $500 in stolen wages using Direct Action with the Seattle Solidarity Network

Founded in 2008, the organization has taken on dozens of fights involving crooked bosses and landlords, some who have stolen rental deposits for homes, others who have stolen wages from workers.

With a win rate of over 90%, the organization uses simple tactics – such as picketing and boycotts – designed to put direct pressure on the boss.

This means a few things for workers. First, it means that they no longer have to wait on politicians to catch up to their needs, because they can learn how to defend themselves.

Secondly, it means more meaningful political engagement. No longer restricted to merely marking "yes" or "no" on a ballot prepared for them, workers engaged in this sort of organizing can't help but wonder what else they are capable of when they stick together.

This is the great potential in the United States today – when workers are encouraged to take on their own fights, we can unleash waves of success that no democratic administration or law office could ever offer us.

For the full article, feel free to visit the Trial by Fire.